



7. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “7” of the Complaint.

8. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “8” of the Complaint.

9. Denies so much of Paragraph “9” of the Complaint as alleges that KHM engaged in the development of luxury hotels, and lacks knowledge or information to form a belief as to the truth of the allegations contained in Paragraph “9” of the Complaint relating to Defendant Realty.

10. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “10” of the Complaint relating to Defendant Realty and otherwise denies the allegations contained in Paragraph “10” of the Complaint.

11. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “11” relating to Defendants Korzen and Realty and otherwise denies the allegations contained in Paragraph “11” of the Complaint.

12. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “12” relating to Defendants Korzen and Realty and otherwise denies the allegations contained in Paragraph “12” of the Complaint.

13. As to Paragraph “13” of the Complaint, admits that Defendant KHM operates and promotes a group of luxury hotels with the brand name “Viceroy” and that a project in Anguilla was marketed under the name “Viceroy Anguilla,” and otherwise lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “13” .

14. Denies the allegations contained in Paragraph "14" of the Complaint except lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph "14" relating to Defendants Korzen and Realty.

15. Denies of the allegations contained in Paragraph "15" of the Complaint except lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph "15" relating to Defendants Korzen and Realty.

16. Lacks knowledge or information sufficient to form a belief to form a belief as to the truth of the allegations contained in Paragraph "16" of the Complaint.

17. Denies each and every allegation contained in Paragraph "17" of the Complaint as such denials are set forth hereinabove with the same force and effect as if set forth hereat in length.

18. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph "18" of the Complaint.

19. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph "19" of the Complaint.

20. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph "20" of the Complaint.

21. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph "21" of the Complaint.

22. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph "22" of the Complaint.

23. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph "23" of the Complaint.

24. Lacks knowledge or information sufficient to form belief to form a belief as to the truth of the allegations contained in Paragraph “24” of the Complaint except denies that Plaintiffs are entitled to any damages against Defendant KHM.

25. Denies each and every allegation contained in Paragraph “25” of the Complaint as such denials are set forth hereinabove with the same force and effect as if set forth hereat in length.

26. Denies so much of Paragraph “26” of the Complaint as it alleges that KHM “exercised complete domination and control over Banes Bay”, and Lacks knowledge or information sufficient to form a belief to form a belief as to the truth of the allegations contained in Paragraph “26” of the Complaint as to Realty and otherwise denies the allegations contained in Paragraph “26” of the Complaint.

27. Denies each and every allegation contained in Paragraph “27” of the Complaint relating to Defendant KHM, and lacks knowledge or information sufficient to form a belief to form a belief as to the truth of the other allegations contained in Paragraph “27” of the Complaint.

28. Denies each and every allegation contained in Paragraph “28” of the Complaint relating to Defendant KHM, and lacks knowledge or information sufficient to form a belief to form a belief as to the truth of the other allegations contained in Paragraph “28” of the Complaint.

29. Denies each and every allegation contained in Paragraph “29” of the Complaint relating to Defendant KHM [TS1] and lacks knowledge or information sufficient to form a belief form a belief as to the truth of the other allegations contained in Paragraph “29” of the Complaint.

30. Denies so much of Paragraph “30” of the Complaint as alleges that KHM is “liable for all damages owed by Barnes Bay to plaintiffs”, and lacks knowledge or information sufficient to form a belief as to the truth of the other allegations contained in Paragraph “30” of the Complaint.

31. Denies each and every allegation contained in Paragraph “31” of the Complaint as such denials are set forth hereinabove with the same force and effect as if set forth hereat in length.

32. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “32” of the Complaint.

33. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “33” of the Complaint.

34. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “34” of the Complaint.

35. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph “35” of the Complaint.

36. Lacks knowledge or information sufficient form a belief as to the truth of the allegations contained in Paragraph “36” of the Complaint.

**FIRST AFFIRMATIVE DEFENSE**

37. The Court lacks personal jurisdiction over Defendant KHM.

**SECOND AFFIRMATIVE DEFENSE**

38. The Complaint fails to state a claim upon which relief may be granted. against Defendant KHM.

**THIRD AFFIRMATIVE DEFENSE**

39. The action is barred by the applicable statutes of limitations.

**FOURTH AFFIRMATIVE DEFENSE**

40. The action should be dismissed on grounds of improper venue as this federal district is not a proper venue.

**FIFTH AFFIRMATIVE DEFENSE**

41. Plaintiffs have failed to properly mitigate its damages.

WHEREFORE, Defendant KHM prays that the Complaint be dismissed as to it in all respects and that the Court award KHM such other, further and different relief as may be just, proper and equitable.

Dated: New York, New York  
January 12, 2011

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